

Lompoc City Council Agenda Item



City Council Meeting Date: August 19, 2014

TO: Patrick Wiemiller, City Administrator

FROM: Michael W. Luther, P.E., Assistant Public Works Director/City Engineer
m_luther@ci.lompoc.ca.us

SUBJECT: Reinstatement of AB1600 Development Impact Fee for Street Improvements; Adoption of Resolution No. 5947(14)

Recommendation:

Staff recommends the City Council:

- 1) Adopt Resolution No. 5947(14) (Attachment 1), which rescinds Resolution No. 5704(11) and reinstates AB1600 Development Impact Fee collection for Street Improvements, as of October 18, 2014; or
- 2) Provide staff alternate direction.

Background:

On March 15, 2011, the Council adopted Resolution No. 5704(11) continuing suspension of collection of the Development Impact Fee for Street Improvements (Street Improvement Fee) until the General Plan Update was adopted, and until the methodology for calculation of that fee was revised to reflect the updated circulation improvements identified in the updated General Plan. Suspension of the Street Improvement Fee was intended to be a temporary economic development incentive to assist developers in assembling viable construction financing plans during the recent economic recession.

Phase I of the comprehensive General Plan Update was approved by Council with the adoption of Resolution No. 5885(13) on November 19, 2013, and included the updated Circulation Element.

Discussion:

The updated Circulation Element eliminates the East/West River Crossing Street Improvements, commonly referred to as the Central Avenue Extension, from the General Plan. The updated Circulation Element now only includes two street improvements that require the collection of Street Improvement Fees to fund future

August 19, 2014

Reinstatement of AB1600 Development Impact Fee for Street Improvements

Page 2 of 3

project construction (North "H" Street Capacity Improvements and North-South Arterial Widening).

Staff has recalculated the Street Improvement Fee based on the updated General Plan Circulation Element and determined that the fee will be reduced by 45.4%, from the current fee of \$4,907 per peak hour vehicle trip generated by the development project to \$2,679 per peak hour vehicle trip.

The Street Improvement Fee will not be collected for development projects with building permits issued prior to the effective date of the reinstated Street Improvement Fee, which will be October 18, 2014. That effective date is to ensure compliance with Government Code section 66017, which requires assessments of development fees to be effective no sooner than 60 days after their implementation. As also required by sections 66016 and 66017, 14-days' notice of the proposed action to reinstate the Street Improvement Fee was mailed to interested persons who filed a written request for notices of new or increased development fee.

Those projects with building permits issued on or after October 18, 2014 will pay based on the current development fee schedule in effect on the date of permit issuance. For projects with vested development maps, the amount charged will be the lower of the current development fee schedule or the fee in effect at the time of vesting, whichever is lower. Development impact fees are normally paid either at the time the building permit is issued, after the final inspection, or when the certificate of occupancy is issued.

Fiscal Impact:

During the time period (December 16, 2009 – present) in which collection of the Street Improvement Fee has been suspended, approximately \$2.8 million of Street Impact Fee revenue has not been collected. If the Council continues to suspend collection of the Street Improvement Fee, then funds will not be collected toward these street improvement projects (North "H" Street Capacity Improvements and North-South Arterial Widening), which would delay construction of those improvements or create the need to seek other funding sources for them. The opportunity to collect those revenues would be lost, while the new trips generated by new development would be placed on the City's roadway network.

There is no reasonable way to determine future revenues from Street Improvement Fees now that the suspension is proposed for rescission. The existing FY 2014-15 Impact Fee schedule along with the proposed revised schedule, are provided for comparison (Attachment 2). The revised schedule will be effective October 18, 2014, and will be in place for the remainder of the fiscal year.

August 19, 2014

Reinstatement of AB1600 Development Impact Fee for Street Improvements

Page 3 of 3

Conclusion:

In order to provide funding to make needed street improvements as a result of commercial and residential development within the City, collection of AB1600 Development Impact Fees for Street Improvements should be reinstated.

Respectfully submitted,

Michael W. Luther, P.E., Assistant Public Works Director/City Engineer

APPROVED FOR SUBMITTAL TO THE CITY ADMINISTRATOR:

Kevin P. McCune, P.E., Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Patrick Wiemiller, City Administrator

Attachments: 1) [Resolution No. 5947\(14\)](#)
2) [FY 2014-15 Impact Fee Schedules \(existing and proposed\)](#)